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UNCLAS SECTION 01 OF 03 OTTAWA 002351

SIPDIS

STATE FOR WHA, WHA/CAN, EB/TPP/ABT/ATP, EB/EPPD/PD

WHITE HOUSE FOR HOMELAND SECURITY COUNCIL - MANN

WHITE HOUSE FOR OFFICE OF SCIENCE AND TECHNOLOGY POLICY -
KERR

WHITE HOUSE FOR OFFICE OF INFORMATION AND REGULATORY AFFAIRS

DHS/BCBP for Bonner

DHS OFFICE OF INTERNATIONAL AFFAIRS - Arcos and Kinney

STATE PASS USTR FOR SAGE Chandler, AND OMB FOR John Morall
AND Fumie Yakota

HEALTH AND HUMAN SERVICES, OFFICE OF THE SECRETARY (Bill
Steiger)

Pass FDA

E.O. 12958: N/A

TAGS: [ETRD](#) [TBIO](#) [PREL](#) [CA](#)

SUBJECT: Canada seeks "Collective Security" Approach on Food
Safety

REF: OTTAWA 0789 (Border Facts And Economic Impact)

Summary:

1. The Canadian Government desires to work closely with USG on biosecurity and harmonize forthcoming regulations stemming from the Bioterrorism Act (BTA). During an August 12 meeting with Robert Wright, number two at the Privy Council Office (PCO) and overseer of Canada's border security efforts, Wright emphasized that a principal objective of the GoC is to act in concert with the USG in order to enhance the collective physical and economic security of Canada and the United States. Wright focused on FDA advance prior notice rules as a specific example of an area where collaboration would enhance collective security. Wright expressed a strong desire that USG and GoC work closely and share information during the development of such regulations that may have an effect on the physical and economic security of both countries. More immediately, Wright asked how the GoC and USG might, even at this late stage, cooperate to ensure that forthcoming FDA rules account for the deeply integrated nature of the Canada-U.S. food market. We assured Wright that the USG has heard GOC concerns and request Washington provide us with any information that may further assuage GOC concerns. End Summary

GoC wants to contribute to "Collective Security"

2. Deputy Chief of Mission, accompanied by other State, Agriculture and Customs officers met with Robert Wright, Assistant Secretary to Cabinet and Coordinator for Security and Intelligence, for the Privy Council Office (PCO) August 12. Also present were Graham Flack, Director of the PCO Border Task Force, Anthony Ritchie, Senior Policy Advisor, Security and Intelligence, and other PCO staff. The PCO manages the Canadian government bureaucracy, combining some of the functions of the U.S. National Security Council, the Office of Management and Budget, and the White House staff. Wright is also the principal assistant to Deputy Prime Minister Manley and Canada's point man on the Ridge-Manley "Smart Border" process. This is a new job for Wright - who is a long-time GOC senior mandarin. The intent of the meeting was an introductory call and to allow Wright to discuss issues we knew were on his mind.

3. Wright started the meeting by expressing his professional and personal appreciation for the mature and helpful manner in which the U.S. responded to the SARS and BSE crises. Unlike other countries, the U.S. based its actions on sound science with a view toward assisting its close ally. Wright then turned to the subject of new USG border-crossing rules that require pre-notification, some developed by U.S. Customs and others by the FDA. He explained how well the process had gone, in his view, with US Customs in formulating the new rules, in particular U.S. and Canadian rules on pre-notification times and other details of cross-border trade. The new rules in each country are now nicely meshed, Wright said. He wants to accomplish the same with the upcoming FDA rules on food

importation, but, unfortunately, he remarked, the stage is not being set as effectively with FDA as it was with US Customs.

14. Embassy officials outlined to Wright the USG rulemaking process, including the opportunity to provide comments during the appropriate period but not after the comment period has closed. Emboffs also noted that we are confident that FDA is taking fully into account the detailed comments provided by the GoC, provincial governments and private sector players on the FDA rules.

15. Wright acknowledged the constraints in this particular rule-writing process, but emphasized that the GoC objective, because of the deep integration between the two countries, is to act in concert with the USG in order to enhance the collective security of Canada and the United States. Wright told us Canada's modus operandi is for Canadian security and customs rules to mirror US regulation as closely as is possible, thus producing a harmonized security perimeter around Canada and the U.S. In particular, Wright repeated his view that the pre-notification rules proposed by U.S. Customs and Border Protection on July 23, 2003 are an example of a collaborative process that enhances collective security.

Discussion Needed to Smooth Implementation

16. Wright suggested that the new FDA rules would be a good subject for the upcoming Shared Border Accord (SBA) meeting in San Francisco in September. According to Wright, a forum is required to discuss the forthcoming rules and (ostensibly) how the GOC might begin to craft its own rules (but clearly also to allow GoC to gain a "comfort level" with the forthcoming rules). Note: Mission understands that the BTA regulations are on the SBA agenda. End Note.

17. Wright observed that this autumn will be a sensitive period in Canadian politics due to a leadership transition and selection of a new Prime Minister, which will be completed this winter. He signaled that immediate attention to working in concert on the FDA rules will attenuate the potential for any political difficulty arising in the wake of the rollout of the final rule in mid-October. Wright suggested he did not want broad US-Canada cooperation to be derailed by the perception that the United States Government is imposing new rules that do not conform to the commitment of the two governments to work collectively on security and border issues.

FYI: Trade in Food

18. In the first phases of implementation, Wright is afraid the new FDA rules will hold up perishable traded goods. US exporters are the dominant suppliers of Canadian agricultural imports, accounting for nearly two-thirds of the total, while Canadian exporters ship more than half of their agricultural exports to the United States. Canadian exports of perishable food items, namely fresh and frozen meats, fresh fish, fruits and vegetables are vulnerable to spoilage and deterioration under lengthy border delays. According to the Ontario Food Terminal, Canada's largest produce terminal, virtually all U.S. exports of fresh produce to Canada are by truck. Rather than return to the United States empty, the trucks commonly return with back-haul. In fact, their original departure from U.S. points is often dependent upon timely back-haul arrangements.

Comment and Action Requests

19. Wright conveyed two messages during the meeting:

(A) From a strategic point of view, GoC believes it is in the interests of both the USG and GoC to collaborate closely and share information during the development of new regulations and rules that may have an effect on the collective physical and economic security of the two countries. The shared border and the huge volume of trade make Canada a special case. The "ideal" example presented by the GoC is of the cooperation between CBP and CCRA.

(B) More immediately, the GoC wants some indication of what the final FDA pre-notification rule will contain (for example will the final FDA rule simply employ CBP pre-notification timelines). Armed with this information the GoC would be able to begin to craft their own rules harmonized with those of the FDA.

110. Comment: Apart from the issues of process and cooperation between Canada and the United States, inefficient implementation of the rules could pose the possibility of major disruptions in cross border traffic and

trade, which is not in our interests. The fear we heard the other day was that when the BTA goes into effect in December, if dozens or hundreds of trucks must wait for FDA approval, or turn around in cramped border facilities, the resulting back-ups at the border would not just be a problem for Canada, but for the United States as well.

11. Action Request: In general, we assume Washington views favorably Canadian desire for additional collaboration during the development of regulations that would have a major impact on the border. Specifically, with respect to the BTA prior notification rules being drafted now by FDA, what might be done (if anything) to assuage GoC concerns?

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